

AG Contract No. KR00 2379TRN
ADOT ECS File: JPA 00-206
Project No P1111 01P
Research: Southwest Border Technology Project

INTERAGENCY AGREEMENT
BETWEEN
THE DEPARTMENT OF TRANSPORTATION
AND
THE UNIVERSITY OF ARIZONA

THIS AGREEMENT is entered into 16 January, 2001, between agencies of the State of Arizona, to wit; the DEPARTMENT OF TRANSPORTATION (the "DOT") and the ARIZONA BOARD OF REGENTS, acting for and on behalf of UNIVERSITY OF ARIZONA, (the "University").

I. RECITALS

1 The DOT is empowered by Arizona Revised Statutes Section 28-401 and 28-334 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the DOT.

2 The University is empowered by Arizona Revised Statutes Section 15-1626 to enter into this agreement and has delegated to the undersigned authority to execute this agreement on behalf of the University

3 The DOT and the University desire to participate with other private and governmental agencies in developing and implementing the Southwest Border Technology Project, (SWBTP) which is a program to establish a platform for the identification, evaluation and implementation of technologies which will expedite cross-border commercial transactions and support the interception of contraband. The DOT will contribute \$20,000.00 to the University for the Project. This agreement is to define the terms of the transfer of funds from the State to the University and the expenditure thereof.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

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II. SCOPE OF WORK

1. The DOT will:
 - a. Appoint a Project coordinator to interface with the University relating to the SWBTP program research and various Project development.
 - b. Provide the University with information and data as may be reasonably available to assist in Project research and development.
 - c. Reimburse the University at one hundred percent (100%) of allowable and allocable costs of work performed directly relating to the ATLAS program within forty-five (45) days after receipt and approval of monthly invoices, in a total reimbursement amount not to exceed \$20,000 00.
2. The University will:
 - a. Appoint a Project coordinator at the University (U of A) to interface with the DOT relating to the SWBTP program research and various Project development.
 - b. Accomplish the work generally in accordance with Exhibit A, which is attached hereto and made a part hereof, provide the DOT monthly, quarterly and final project reports and other deliverables as are defined in Exhibit A, such reports will be accompanied by a summary of expenditures. Such reports will be in a format compliant with the DOT's Format for Research reports.
 - c. No more often than monthly, invoice the DOT in the form of Exhibit B attached hereto.

III. MISCELLANEOUS PROVISIONS

1. Title to all documents, reports and other deliverables prepared by the University in performance of this agreement shall rest jointly with the federal government, the DOT and the University.
2. This agreement shall become effective upon signature by the parties hereto, and shall remain in force and effect until completion of said ATLAS II project and reimbursements; provided, however, that this agreement, may be cancelled at any time prior to the commencement of performance under this agreement, upon thirty (30) days written notice to the other party
3. The parties agree to comply with all applicable state and federal laws, rules, regulations and executive orders governing procurement, equal employment opportunity, immigration, nondiscrimination and affirmative action.
4. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511.
5. The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract.
6. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes Section 12-1518.

7 All notices or demands upon any party to this agreement relating to the agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Department of Transportation
Joint Project Administration
205 S. 17th Avenue - 616E
Phoenix, AZ 85007

University of Arizona
Assoc VP for Economic Development
9040 S. Rita Road, Suite 1400
Tucson, AZ 85747

8. The parties recognize that performance by the U of A under this Agreement may be dependent upon the appropriation of funds by others. Should the other participants at any time fail to assign the necessary funds for such performance, the DOT or the U of A may cancel this agreement.

9. Should the work contemplated under this agreement be completed at a lower cost than the reimbursed amount, or for any other reason should any of these funds not be expended, a proportionate amount of the funds provided shall be reimbursed to the State

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

STATE OF ARIZONA

THE ARIZONA BOARD OF REGENTS
acting for and on behalf of
THE UNIVERSITY OF ARIZONA

By Bruce A. Wright
BRUCE A. WRIGHT
Associate Vice President
For Economic Development

1/8/01
(date)

DEPARTMENT OF TRANSPORTATION

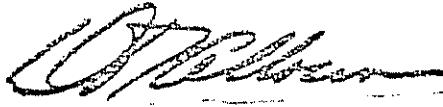
By Mary Lynn Fischer
MARY LYNN FISCHER, Director
Transportation Planning

Jan 16, 01
(date)

RESOLUTION

BE IT RESOLVED on this 22th day of December 2000, that I, the undersigned MARY E. PETERS, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, to enter into an agreement with the University of Arizona for the purpose of defining responsibilities for conducting the Southwest border Technology Project.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director of Transportation Planning for approval and execution.

A handwritten signature in black ink, appearing to read 'D. Allocco', is written over a horizontal line.

DAVID R. ALLOCCO, P.E.
Assistant State Engineer
Engineering Technical Group
for Mary E. Peters, Director

SOUTHWEST BORDER TECHNOLOGY PROJECT (SWBTP)

BACKGROUND

A dynamic and complex trade environment is developing in the U.S.-Mexico border region. In part spurred by the ratification of the North American Free Trade Agreement (NAFTA), the border shared by the United States and Mexico, has become the principal gateway for international commerce between NAFTA nations and the emerging markets in Latin America. Between 1994 and 1999, the Border Region, consisting of four U.S. states (Arizona, California, New Mexico and Texas) and six Mexican states (Baja California Norte, Chihuahua, Coahuila, Nuevo Leon, Sonora and Tamaulipas), has experienced a 99.5% increase in the importation and exportation of merchandise. Increases in North American trade have placed additional pressure upon border crossings and ports-of-entry along the U.S.-Mexico border. In 1999, trade between the U.S. and Mexico reached a record level of \$196 billion worth of goods, growing 13.4% over 1998 levels, according to statistics from the U.S. Department of Commerce. Of this total, 95.3% consisted solely of U.S.-Mexico trade.

NAFTA was designed to facilitate the passage of trade across borders by removing tariff and non-tariff barriers. However, there is an inherent conflict that exists between the goals of NAFTA – which are to promote free trade and the free movement of goods, services, and people across the border – and the need to protect the border against illegal activity (in terms of resources). With increasing volumes of incoming northbound traffic, the goals of NAFTA are being constrained by the need to intercept contraband – like drugs, weapons, and explosives – and control illegal immigration. Inspection requirements have often resulted in long delays to process commercial traffic across the border. These delays have resulted in the queuing of trucks at border crossings, impeding trade development and increasing the cost of doing business.

Under pressure to accelerate transboundary trade and increase inspection and interdiction efforts, federal law enforcement agencies like the U.S. Customs Service are currently constrained by inspection processes which are too reliant on human resources, as opposed to first rate intelligence and non-intrusive inspection technologies. These agencies are actively engaged in identifying complementary technological systems that can target suspect shipments while allowing legitimate entries to proceed quickly through the thirty-nine border crossings and the twenty-four ports-of-entry that link the United States and Mexico. In fact, a plan for the development and acquisition of border port inspection technology prepared by the Office of Information and Technology underscores the ambitious efforts by U.S. Customs Service to eventually equip *every* port with the capacity to conduct non-intrusive inspections on every inbound shipment, thus creating a curtain that is permeable to trade and culture, but impermeable to drugs, crime and violence.

PROJECT PROOF OF CONCEPT

The Southwest Border Technology Project (SWBTP) is a project within the University of Arizona Office of Economic Development that focuses on trade by adopting a systems approach whereby technology is used to monitor goods from their point of origin until their point of destination across the border. It is a mechanism that focuses on identifying, evaluating, and deploying technologies that will facilitate the trading process between the U.S. and Mexico. The Project will help increase trade and reduce the long delays and traffic congestion at border ports of entry.

GOALS AND OBJECTIVES OF THE PROJECT

The goal of the Southwest Border Technology Project is to establish a platform for the identification, evaluation, and implementation of technologies, which will expedite cross-border commercial transactions and support the interception of contraband. The Project will explore ways to develop a family of complementary systems in order to integrate border inspection procedures, information management, communications systems, as well as inspection and detection technologies. The SWBTP will operate several test beds to determine the feasibility of specific technologies and will serve as a clearinghouse for inspection and detection technologies. The Project will also maintain a comprehensive technology database.

SWBTP will draw the participation of several key partners including US, Mexican and Canadian universities, US federal agencies and laboratories, state and local law enforcement agencies, state and local governments and agencies, non-governmental organizations and the private sector. Partnerships with Mexican federal and state agencies are also being explored. The Project will work closely with NIJ's Border Research and Technology Center in San Diego, California.

BENEFITS OF THE PROJECT

The Southwest Border Technology Project will have several key benefits:

- The application of break-through inspection and detection technologies will improve the interdiction of contraband and illegal immigrants involved with commercial shipments at U.S. ports-of-entry;
- Improved inspection / detection technologies will increase the efficiency of ports-of-entry, making it more efficient to move commercial products through the North American free trade area. This will in turn help ease traffic congestion and long delays to cross the border;
- The application of improved inspection / detection technologies will also enhance the economic competitiveness of the border regions and support the development of trade corridors in the United States;

- Technologies developed and tested through the Project can be spun-off into new commercial enterprises, thereby adding economic value and increasing employment.

AREAS OF TECHNOLOGY TESTING EVALUATIONS

- Design & operation of inspection facilities
- Cargo container design
- Cargo management technology
- Monitoring & tracking technology
- Inspection & detection technology
- Information management technology

PROJECT RESEARCH AND METHODOLOGY

- The SWBTP will hire a research coordinator to coordinate the identification, evaluation and testing of candidate technologies.
- The Project will establish an Advisory & Technical Review Committees comprised of law enforcement representatives, federal and state agency officials, and technical experts from business and academia to review and evaluate proposed technologies for testing and evaluation.
- The Project will develop testing protocols and secure test beds at commercial border ports-of-entry.
- The Project will conduct a pilot research project during FY 2000-2001. An appropriate technology will be selected for testing by the Technical Review Committee.
- The Project will establish a comprehensive web-based database for relevant cross-border and law enforcement technologies.
- The Project will host a Technology Seminar / Workshop to distribute the findings of the pilot research project and to disseminate information regarding border-crossings and law enforcement technologies.

TESTING ENTITIES

- SANDIA Labs
- University of Arizona Systems Engineering
- University of Arizona Management Information Systems
- New Mexico State University – Border Technology Deployment Center
- Naval Aerospace & Warfare Center
- Arizona Department of Transportation Research Center / Materials Lab

- VOLPE Institute – Intermodal Logistics Systems Planning & Integration
- Other qualified entities & labs

PROJECT TESTING LOCATIONS

The Arizona-Sonora Region offers an excellent opportunity to field-test new technologies. For over forty years, both states have been cooperating in an effort to improve trade and business development. The governors of the two states through the Arizona-Mexico Commission and the Comision Sonora-Arizona for the past seven years have been jointly developing an integrated regional economic development strategy. A principal focus of this effort has been to improve the flow of trade across the Arizona-Sonora border. With three major ports of entry, Nogales, Douglas and San Luis, Arizona is a unique venue for the project for it provides an excellent opportunity to field test new inspection and detection technologies.

Arizona and Sonora are strategically located in North America along two important trade corridors – the U.S. east-west trade corridor along Interstate 10 and the Union Pacific Railroad and the CANAMEX Trade Corridor that runs from Edmonton, Canada south to Mexico City. Because of its extensive cross-border cooperation, Arizona is ideally positioned along the border to support research into cargo inspection and enforcement.

Arizona's major ports-of-entry provide an excellent opportunity to field test new inspection and detection technologies. The Nogales Mariposa Border Port-of-Entry by itself is the fifth busiest port along the U.S.-Mexico border. Estimates indicate that over \$10,477,230,951 worth of merchandise crossed the border during 1998. Nogales is also the primary port-of-entry for Mexican produce, processing 60 to 70 percent of all winter produce being imported into the United States. In addition, this entry point is processing an increasing volume of maquiladora shipments from plants in Hermosillo and Nogales.

Arizona's second and third largest border ports of entry, San Luis and Douglas respectively, also hold promising opportunities to field-test these new technologies. During fiscal year 2000, San Luis had 41,522 commercial vehicles crossing the border, about a fifth of the 258,201 that crossed the border in Nogales. In Douglas, 32,788 commercial vehicles crossed the border that same year.

With a role as a major distribution center, Tucson's International Airport (TIA) is yet another ideal location in Arizona to field-test new technologies. The City of Tucson's Puerto Nuevo Project is focusing on making the airport's region into a more globally recognized manufacturing and distribution center. With trade on the rise each year and with Puerto Nuevo's ambitious strategy, TIA is an excellent location where inspection and detection technologies can be field-tested and eventually implemented.

In New Mexico, the Santa Teresa Border Port-of-Entry is also another ideal location to field-test new technologies. Based under New Mexico State University's Physical Science Laboratory, the Border Technology Deployment Center focuses on technologies that will enhance commerce – ie., automated clearance methods & policies, advanced

detection technologies, advanced inspection technologies & methods, and advanced sensing technologies.

Other border ports-of-entry that are being considered for possible test-beds are San Ysidro and Calexico in California, and Calexico and El Paso in Texas.

Germany's Frankfurt (Oder) Border Port-of-Entry is another location with a lot of potential for field-testing new technologies. Interest and support to field-test and apply the SWBTP's findings has been expressed by the German Marshall Fund and United States Information Agency (USIA). For the last couple of years, the major trading route from Russia to France has seriously constrained the Frankfurt (Oder) Border Port-of-Entry; truck drivers often have to wait up to 46 hours in cue before their cargo is processed across the German border.

PROJECT PARTNERSHIP

The SWBTP represents a partnership among the University of Arizona Office of Economic Development (UAOED); the National Institute of Justice Office of Science and Technology (NIJOST); the Arizona-Mexico Commission (AMC); the Arizona Department of Transportation (ADOT); G & H International Services LLC (GHIS); U.S. Customs; the Sonora-Arizona Commission; the Government of Sonora; the Counterdrug Technology Assessment Center – Office of National Drug Control Policy (CTAC – ONDCP); the CANAMEX Governor's Task Force; The City of Tucson's "Puerto Nuevo Project;" the Tucson Airport Authority; and the Tucson-Mexico Project.

THE UNIVERSITY OF ARIZONA

- The University of Arizona, as one of the nation's top research universities, brings a significant level of expertise to the work of the Project. More than 200 faculty members at the University are involved in research in Mexico and Latin America.
- The University of Arizona Office of Economic Development (UAOED) has been coordinating the work of researchers in the Arizona-Sonora region for the past six years. These researchers have been evaluating traffic flows and trade patterns in the Arizona-Sonora region as part of an ambitious regional planning process, sponsored by the governments of Arizona and Sonora. A variety of factors relative to cross-border trade have been examined including physical infrastructure, banking and legal rules and regulations, inspection procedures, information management systems and business practices. Studies have included a comprehensive analysis of key sectors of the regional economy including agribusiness, business services, health services, manufacturing, mining, and transportation/distribution.
- For the past 4 years, the University of Arizona Office of Economic Development has been involved in a project that analyzes the trade flow and trade patterns at Germany's Sweicko Border Port of Entry and which evaluates trade relations

between Germany's Frankfurt (Oder) Border Port of Entry and Poland's Slivitz Border Port of Entry. The German Marshall Fund and the United States Information Agency (USIA) have already funded elements of the project and are in support of applying the project's research findings in Central Europe (Germany, Poland, and the Czech Republic).

- The University of Arizona has several internationally recognized areas of excellence, such as systems engineering, management information systems and optical science, that will provide the basis for conducting research into a broad array of new inspection and detection technologies. For instance, research conducted by the Department of Systems Engineering in traffic engineering has received widespread attention from the Federal Highway Administration, the Arizona Department of Transportation, the Arizona Department of Commerce, the Pima Association of Governments, the City of Tucson and the Nogales U.S. Customs District.
- The National Law Center for Inter-American Free Trade, an affiliate of the University of Arizona College of Law and sponsored by the United States Department of State and the State of Arizona, is coordinating efforts to harmonize banking, legal and commercial regulations and procedures under NAFTA. The expertise of the National Law Center will be directed toward integrating new inspection and detection technologies with customs and immigration procedures and requirements.

NATIONAL INSTITUTE OF JUSTICE OFFICE OF SCIENCE AND TECHNOLOGY (NIJOST)

- The National Institute of Justice is authorized to support research, evaluation and demonstration programs, development of technology, and national and international information dissemination.
- In recent years, NIJ has greatly expanded its initiatives including the six regional National Law Enforcement and Corrections Technology Centers and a Border Research and Technology Center.
- The Border Research and Technology Center has responsibility for technologies that provide increased capabilities in border surveillance, security and identification. The Center, located in San Diego, California, works closely with the U.S. Customs Service and the U.S. Border Patrol.
- The National Institute of Justice's Office of Science and Technology is the focal point for the development of standards, testing and dissemination of information on law enforcement equipment and technologies.
- The Office funds approximately 20 projects a year and works with the Department of Defense and other Federal agencies to fund and develop new innovative technologies to support the criminal justice community.

- In recent years, tremendous focus has been directed for technology research and development to support local and state law enforcement. Through the Office of Science and Technology, effective partnerships have been forged between law enforcement, industry and Federal agencies.

G & H INTERNATIONAL SERVICES (GHIS)

- G & H International Services (GHIS) LLC is a Washington D.C.-based consulting firm specializing in law enforcement and defense-related technologies. GHIS has worked extensively with the National Institute of Justice's Office of Science and Technology and with NIJ's Technology Centers Program.
- GHIS provides Washington representation for a number of government and private clients in technology-related areas. GHIS maintains an extensive set of international contacts.
- GHIS, in conjunction with a major university, has designed a training course for senior members of the Moscow Police Academy.

ARIZONA-MEXICO COMMISSION (AMC) & SONORA-ARIZONA COMMISSION

- Established in 1959, the Arizona-Mexico Commission (AMC) is a membership based non-profit 501 (c) 4 corporation that consists of 13 working committees who formulate programs and action items relating to issues that impact the Arizona-Mexico relationship.
- The AMC is recognized for excellence in leadership, innovation and bi-national accomplishments that improve the economy and quality of life in the region and provide value-added services and opportunities for business growth to our members and stakeholders.
- Furthermore, the AMC strives to promote goodwill, understanding, and the overall development of the Arizona-Sonora region by utilizing our cultural, economic, human, natural, and technical resources.
- The AMC collaborates with public and private sector leaders to initiate and implement binational projects that continue to improve the quality of life for the residents of the Arizona-Mexico border region.
- Since their inception, the Arizona-Mexico Commission (AMC) and the Sonora-Arizona Commission have had a pioneering partnership that has become a renowned global role model in binational relations. The two commissions have an underlying objective of encouraging private enterprise, economic development, and an improved quality of life throughout the Arizona-Sonora region.

- In 1993, the Arizona-Mexico Commission and the Comision Sonora-Arizona initiated a bi-national strategic economic planning process to analyze how the two neighboring states could increase their regional competitiveness in the world economy and enhance the overall quality of life of their residents. This idea, which began as the Strategic Economic Development Vision for the Arizona-Sonora Region has matured into the exciting and commanding "Arizona-Sonora Project."
- The purpose of the Arizona-Sonora Project is to provide economic development professionals, decision-makers, researchers and other interested parties with information to increase the understanding of the opportunities and challenges for developing a more powerful bi-state economic region. The project, developed by the University Consortium, conducts and coordinates research on the economic complementarities between the two states, supports post-study policy and economic development activities and serves as a liaison to the Arizona-Mexico Commission and its members.

GOVERNMENT OF SONORA

- For the past seven years, the Government of Sonora, through the Sonora-Arizona Commission, has been cooperating in an effort to improve trade and business development with Arizona by developing an integrated regional economic development strategy with a principal focus on improving the flow of trade across the Arizona-Sonora border.

ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT)

- ADOT's Research Center identifies its research needs and provides effective solutions; meets customers' needs for transportation and information; evaluates, promotes, and implements cost-effective new products and technologies; provides timely and useful consulting services; continuously improves internal processes and resources; and promotes ADOT's career opportunities for the best and brightest transportation professionals.
- ADOT's Intelligent Transportation Systems (ITS) promotes cooperation and fosters a statewide public, private, and academic partnership, to make the urban and rural surface transportation system in Arizona safer, more effective, and efficient by accelerating the identification, development, integration and deployment of advanced technologies.
- ADOT's Intelligent Transportation Systems Research and Development Program is intended to identify, develop and deploy useful Intelligent Transportation Systems technology which will improve the overall safety and efficiency of the state's transportation network.

U.S. CUSTOMS

- U.S. Customs Services is the primary enforcement agency protecting the U.S. border. It is the only border agency with an extensive air, land, and marine interdiction force and with an investigative component supported by its own intelligence branch.
- As the primary border interdiction agency, U.S. Customs faces a complex, multifaceted drug threat. The staggering number of conveyances, cargo, and passengers arriving into the United States each year continues to present Customs with complex targeting and interdiction challenges. Customs is confronting these challenges head-on through a variety of intelligence, investigative, and operational approaches.
- In addition to constantly improving operational activities, Customs has incorporated the power of partnerships-with industry and foreign governments.
- Customs provides the U.S. with its second largest source of revenue. In 1999, Customs returned \$22.1 billion to the U.S. Treasury.
- Customs relies on vigilance and technology to protect this public revenue. A new automated commercial environment is under development that will rely on account management to streamline the commercial import process, lower the cost of trade compliance, and increase customer service for the trade community. Inspectors will use this system to make paperless cargo clearances and to target non-compliant cargo for examinations.
- Innovative enforcement technology is a valuable tool for the U.S. Customs Service. High technology deployed in efforts against illegal drugs runs the gamut from specifications for high-performance aircraft to mobile and fixed truck x-ray systems to hand-held contraband detection devices known as busters.
- Customs' laboratories continually check imports to ensure that they comply with the myriad of laws involving public health, safety, and protection of intellectual property rights.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER – OFFICE OF NATIONAL DRUG CONTROL POLICY (CTAC – ONCP)

- The Counter-Drug Technology Assessment Center (CTAC) is the central counter-drug enforcement research and development organization of the U.S. Government. It develops and implements the National Counter-Drug Enforcement Research and Development Strategy, which identifies and defines the scientific and technological needs of Federal, State, and local drug enforcement agencies.

- CTAC also is responsible for conducting research and development activities related to drug abuse addiction and rehabilitation.
- CTAC oversees and coordinates counterdrug technology initiatives with related Federal civilian and military departments and conducts research and development activities for drug abuse addiction and rehabilitation research.

CANAMEX GOVERNOR'S TASK FORCE

- Defined as a High Priority Corridor by the National Highway Systems Designation Act (1995), CANAMEX is a north-south trade corridor that encompasses a broad region in the western United States, Canada, and Mexico.
- The CANAMEX Corridor Project is a joint project of Arizona, Nevada, Idaho, Utah and Montana; states whose primary objective is to develop a Corridor plan to stimulate investment and economic growth in the region of the Corridor. A comprehensive and coordinated Corridor plan will ensure the efficient allocation of resources along the corridor necessary to maximize the economic potential for the US, Canada and Mexico.
- In the U.S., the Region consists of Arizona, Nevada, Utah, Idaho, and Montana. In Mexico, it covers the States of Sonora, Sinaloa, Nayarit, Jalisco, Guanajuato, Queretaro, Estado de Mexico, and Mexico D.F. In Canada, the corridor covers the province of Alberta.
- CANAMEX includes transportation, commerce and communications components. The transportation component calls for the development of a continuous four-lane roadway from Mexico through the US CANAMEX states, into Canada.
- The goal of CANAMEX is to streamline trade, to make the movement of people, goods and information safer and more efficient.
- The CANAMEX Trade Corridor intends to foster trade, stimulate investment, and provide an opportunity for accelerated economic development throughout the region it encompasses (including rural economic development). The Corridor also intends to provide physical commercial infrastructure, trade enhancements and business and social linkages throughout the region. The ranges of economic opportunities will vary from state to state, but may include expansion of professional services, high tech industries, recreational, tourism and transportation related industries.
- CANAMEX focuses on opportunities for innovation in the following areas: development of safe and sufficient multi-modal transportation network; enhancement of global competitiveness; and shared commitment to maintain and protect the region's quality of life.

- Since its creation, the CANAMEX Governor's Task Force has been the catalyst for a lot of the activity that has been taking place in the Region. The Governor's Task Force is involved in developing a solid basis of understanding of what the development needs are for the communities along the corridor and adjacent to the corridor.
- The CANAMEX states share a vision of safe and efficient trade and transportation for its region and a goal to stimulate economic growth consistent with state and local development values. They have committed to working together for the common benefit of the entire CANAMEX region.

CITY OF TUCSON – PUERTO NUEVO PROJECT

- The mission of the City of Tucson's "Puerto Nuevo Project" is to create a regional distribution center designed to reach a worldwide marketplace by capitalizing on the geographic position on current and developing trade routes, and by providing existing and emerging industries a mechanism for accessing global markets, thereby launching Tucson and Arizona into a prominent role in the new global economy.

TUCSON-MEXICO PROJECT

- The mission of the Tucson-Mexico Project is to enhance the relationship between Tucson and Mexico via a public-private effort that seeks to recapture and strengthen economic, social and cultural ties.
- With a desire of having this effort solidify Tucson's position as the "City of Choice" for the Mexican visitor and businessperson, the Tucson-Mexico Project hopes to create an economic region encompassing Arizona and Mexico for which Tucson will serve as the gateway.

TUCSON AIRPORT AUTHORITY

- The Tucson Airport Authority is responsible for the development and promotion of transportation and commerce by air in the state of Arizona and all parts of the Western Hemisphere in any way related to air transportation and commerce in Arizona.
- The promotion, development and encouragement of all forms of air transportation into and out of the City of Tucson and other communities in southern Arizona.
- The operation and maintenance of airports, air depots, landing fields, hangars, beacons, and all kinds of character of devices incidental to the operation, development and maintenance of aircraft fields and strips for landing and operation facilities in southern Arizona.

- The advocacy and support of all projects, activities and legislation for the benefit of commerce by air.
- The leasing, purchasing, holding, operation, possession and enjoyment in fee simple or otherwise of any personal real property, and the sale, lease, release, conveyance, reconveyance, mortgaging, hypothecating or disposal of any such personal or real property.
- This corporation is one where pecuniary profit is not an objective and all profits and gains of this corporation shall be held and used solely for the development, promotion and improvement of air commerce.
- A likely inland transportation and distribution center, the Tucson's Airport is an excellent location where inspection and detection technology can be tested and eventually implemented.

SINALOA -- CULIACAN DEVELOPMENT CONCIL – CONSEJO PARA EL DESARROLLO DE SINALOA (CODESIN)

- The main objective of CODESIN is to ease the way for national and foreign companies to evaluate Sinaloa for their new or expansion projects.
- The Sinaloa Development Council provides assistance and support to investors interested in doing business in Sinaloa.
- CODESIN is authorized by the State Government to grant fiscal incentives contemplated in the Law of Investment Promotion for the Economic Development of Sinaloa, and is a highly efficient negotiator between investors, their potential Mexican partner and State Government.
- The strategic location of the State of Sinaloa as well as the availability of natural resources and favorable business environment provide an excellent opportunity for investment projects, and as a member of the North America Free Trade Agreement (NAFTA) for those projects specifically aimed at the North American market.
- In addition to these features, Sinaloa has other unique advantages; its proximity to the United States, its communication alternatives via highway, rail, sea and air to reach the U.S. market; abundance of key resources, such as water and labor.
- Located on the Pacific Northwest of Mexico, Sinaloa has direct access to the Pacific RHIM countries through its two commercial ports on the Pacific Ocean. Sinaloa's Port of Mazatlan, considered Mexico's most important port on the northwest coast, has a 33 feet operating depth, 5 commercial freight wharves, 161,000 square feet of storage space, 25,000 square feet of sheltered area,

730,000 square feet of open storage space and can accommodate vessels up to 44,000 tons. Sinaloa's Port of Topolobampo, in the northern part of the state, can accommodate vessels up to 55,000 tons.

PROJECT ADMINISTRATION

The Southwest Border Technology Project (SWBTP) is managed and administered by the University of Arizona Office of Economic Development (UAOED) and headquartered at the University of Arizona's Science and Technology Park (UASTP).

The UA OED will be in charge of –

- Employing a project coordinator and research assistant;
- Maintaining the SWBTP Office at the UA STP;
- Technical review activities, staff advisory, and meetings;
- Maintaining web-page & database;
- Organizing and hosting a seminar / workshop;
- Coordinating technology solicitations and the review process; &
- Disseminating study findings & results

PRIOR FUNDING

The Project received a \$20,000 planning grant from the National Institute of Justice. These funds were matched by \$7,500 from the Arizona-Mexico Commission, and \$25,336 from the UA Office of Economic Development. Additional funding has been pledged by the State of Arizona through the Arizona Port Efficiency Study Program (APES).

PROJECT ACCOMPLISHMENTS

Planning funds have been used to develop the mission and administrative structure of the Project, recruit affiliate members, establish a research advisory committee, and adopt protocols for identifying candidate technologies for testing and evaluation.

ENDORSEMENTS

Governor Jane Dee Hull, Arizona, and Governor Armando Lopez Nogales, Sonora, have endorsed the Southwest Border Technology Project proposal and have included SWBTP as an element of their six-point program to promote regional development and competitiveness in the Arizona-Sonora Region.

PROJECT GRANTS / PROPOSALS

In order to carry out the Proof of Concept, the SWBTP is requesting the following amounts –

Arizona-Mexico Commission (AMC)	\$ 10,000.00
Arizona Department of Transportation (ADOT)	\$ 20,000.00
National Institute of Justice (NIJ)	\$ 96,683.00
Counterdrug Technology Assessment Center – Office of National Drug Control Policy	\$ 96,683.00

TOTAL: \$223,365.00

PROJECT TIMELINE

January 2001	Establish the Advisory & Technical Review Committees
February 2001	First committee meeting / Adopt protocol & project's guidelines
April 2001	Issue solicitation for project
May 2001	Peer review of proposals
June 2001	Award contract
July – December 2001	Testing & evaluations
February 2002	Advisory & Technical Review Committees could review testing results
March 2002	Plan & organize workshop
May 2002	Workshop
June 2002	Prepare final report
July 2002	Issue report

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**SOUTHWEST BORDER TECHNOLOGY PROJECT
BUDGET WORKSHEET / ADOT PORTION:
8.286% OF TOTAL BUDGET ***

CATEGORY	TOTAL BUDGET	ADOT Proportional BUDGET
(A) PERSONNEL	\$77,100	\$6,389
(B) FRINGE BENEFITS	\$17,733	\$1,469
(C) TRAVEL	\$8,603	\$713
(D) EQUIPMENT	\$0	\$0
(E) SUPPLIES	\$6,200	\$514
(F) CONSTRUCTION	\$0	\$0
(G) CONSULTANTS	\$20,320	\$1,684
CONSULTANTS TRAVEL	\$2,700	\$224
CONTRACTS	\$18,000	\$1,491
(H) OTHER COSTS		
Rent Office Space	\$3,720	
Mtgs of Technical Review Comm.	\$2,000	
Technology Wrkshp	\$5,000	
Technology Database/Webpage	\$5,000	
Technology Review & Evaluations	\$75,000	
Total Other Costs	\$90,720	\$7,517
Totals	\$241,376	\$20,000

* Please see attached Budget Worksheet / Narrative for the details.

SOUTHWEST BORDER TECHNOLOGY PROJECT BUDGET WORKSHEET / NARRATIVE

(A) Personnel

Principal Investigator	\$ 9,600 X 100%	\$ 9,600.00
Research Coordinator	\$45,000 X 100%	\$45,000.00
Research Assistant	\$35,000 X 50%	\$22,500.00
		<hr/>
		\$77,100.00

The Principal Investigator will assist with the analysis of the project in regards to the economic impact and future direction of the project.

The Research Coordinator will coordinate the identification, evaluation, and testing of candidate technologies. The part-time Research Assistant will assist in developing testing protocols and test beds at Arizona commercial border ports-of-entry, as well as other research duties assigned by the Senior Research Specialist. Both positions will be assigned exclusively to the Southwest Border Technology Project.

(B) Fringe Benefits (University of Arizona rates)

Principal Investigator	\$ 9,600 X 23%	\$ 2,208.00
Research Coordinator	\$45,000 X 23%	\$10,350.00
Research Assistant	\$22,500 X 23%	\$ 5,175.00
		<hr/>
		\$17,733.00

Total Personnel & Fringe Benefits: \$94,833.00

(C) Travel

<u>Purpose</u>	<u>Location</u>	<u>Item</u>	<u>Computation</u>	<u>Cost</u>
Field Work/ Research	Nogales	Mileage	160 miles X 24 trips @ .325/mile	\$1,248.00
Field Work/ Research	San Diego	Airfare	\$200 X 2 trips X 2 people	\$ 800.00
		Meals	\$40/day X 2 days X 2 trips X 2 people	\$ 320.00
		Hotel	\$96/day X 2 days X 2 trips X 2 people	\$ 768.00
				<hr/> \$1,888.00
Consultation/ Presentations	Washington D.C.	Airfare	\$800 X 1 trip X 1 person	\$ 800.00
		Meals	\$40/day X 1 trip X 3 days X 1 person	\$ 120.00
		Hotel	\$118/day X 1 trip X 3 days X 1 person	\$ 354.00
				<hr/> \$1,274.00
Meetings/ Presentations	Phoenix	Mileage	6 trips X 2 people X 250 miles @ \$0.325 mile	\$ 975.00
		Meals	\$29.50 X 6 trips X 2 people	\$ 354.00
				<hr/> \$1,329.00
Bruce Wright	Washington D.C.	Airfare	\$800 X 2 trips	\$1,600.00
		Meals	\$40/day X 2 trips X 4 days	\$ 320.00
		Hotel	\$118/day X 2 trips X 4 days	\$ 944.00
				<hr/> \$2,864.00
Total Travel:				<hr/> \$8,603.00

Bruce Wright will travel with the Research Director to Washington, D.C. to meet with National Institute of Justice representatives to discuss the project's progress. He will also travel by himself to meet with the Law Enforcement Consultants.

The Research Coordinator, and the Research Assistant will travel to Nogales, Arizona to develop testing protocols and secure test beds at commercial border port-of-entry. They will also travel to San Diego, California to meet with the Border Research and Technology Center (BRTC) to examine inspection and detection technologies. For the Phoenix, Arizona trips, both staff members will attend meetings regarding the region, border issues, and promotion of the project.

The Research Coordinator will travel with the consultants to Washington, D.C. to meet with National Institute of Justice representatives to discuss the project's progress.

(D) Equipment

(E) Supplies

<u>Supply Items</u>	<u>Computation</u>	<u>Cost</u>
Office supplies	\$50/month X 12 months	\$ 600.00
Postage	\$50/month X 12 months	\$ 600.00
Printing		\$5,000.00
Total Supplies:		\$6,200.00

(F) Construction

(G) Consultants

<u>Name of Consultant</u>	<u>Service Provided</u>	<u>Computation</u>	<u>Cost</u>
Andrew Gembara	Law Enforcement Specialist	80 hours @ \$127/hour	\$10,160.00
Robert Greenberg	Law Enforcement Specialist	80 hours @ \$127/hour	\$10,160.00
			\$20,320.00

Andrew Gembara, Law Enforcement Specialist, will be hired, as needed, to assist with the analysis of the project's impact on law enforcement.

Robert Greenberg, Law Enforcement Specialist, will be hired, as needed, to assist with the analysis of the project's impact on law enforcement.

Consultant Travel

Andrew Gembara	Tucson	Airfare	\$800 X 1 trip	\$ 800.00
		Meals	\$30/day X 1 trip X 5days	\$ 150.00
		Hotel	\$80/day X 1 trip X 5 days	\$ 400.00
				<hr/> \$1,350.00
Robert Greenberg	Tucson	Airfare	\$800 X 1 trip	\$ 800.00
		Meals	\$30/day X 1 trip X 5 days	\$ 150.00
		Hotel	\$80/day X 1 trip X 5 days	\$ 400.00
				<hr/> \$1,350.00

Andrew Gembara and Robert Greenberg will travel to Tucson, Arizona to meet with Bruce Wright, and the two research specialists to review the project's progress and its future goals and objectives.
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Contracts

The University of Arizona	Administrative	12 months @	\$18,000.00
	Services	\$1,500/month	
Consultants / Contracts Total:			\$41,020.00

(H) Other Costs

Rent Office Space	12 months @ \$310/month	\$ 3,720.00
Meetings of Technical Review Committee	4 meetings @ \$500	\$ 2,000.00
Technology Workshop		\$ 5,000.00
Technology Database and Web Page		\$ 5,000.00
Technology Review and Evaluations		\$75,000.00
Other Costs Total:		<u>\$90,720.00</u>

(I) Indirect Costs

TOTAL COSTS: \$241,376.00

Funding Sources

The University of Arizona Office of Economic Development	\$ 11,808.00
Arizona-Mexico Commission (AMC)	\$ 7,500.00
Arizona Department of Transportation (ADOT)	\$ 20,000.00
National Institute of Justice (NIJ)	\$101,034.00
Counterdrug Technology Assessment Center – Office of National Drug Control Policy	\$101,034.00
TOTAL:	\$241,376.00

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